

Minutes

Sacramento Suburban Water District Finance and Audit Committee Monday, August 5, 2019

Call to Order

Chair Wichert called the meeting to order at 2:30 p.m.

Pledge of Allegiance

Chair Wichert led the Pledge of Allegiance.

Roll Call

Directors Present: Kathleen McPherson and Robert Wichert.

Directors Absent: None.

Staff Present: General Manager Dan York, Assistant General Manager Mike Huot, Director of Finance and Administration Dan Bills, Heather Hernandez-Fort, Lynn Pham and Robin Geiger.

Public Present: William Eubanks.

Announcements

None.

Public Comment

None.

Consent Items

1. **Minutes of the April 1, 2019 Finance and Audit Committee Meeting**

Director McPherson moved to approve Item 1; Chair Wichert second. The motion passed by unanimous vote.

AYES:	McPherson and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

Items for Discussion and/or Action

2. **Engagement of Auditor Policy (PL Fin 001) and Extending Audit Services with Richardson & Company, LLP**

Director of Finance and Administration Dan Bills (Mr. Bills) presented the staff report.

Chair Wichert inquired why staff was recommending a sixth year, expressing that he believed the recommendation was lowering the District's standards.

Mr. Bills explained that the change was recommended to comply with the new law.

Director McPherson moved to approve the staff recommendation.

William Eubanks (Mr. Eubanks) inquired why Chair Wichert believed changing the policy to comply with the law weakened the District's position.

Chair Wichert said the current policy stated; "in order to avoid the appearance of a single auditor's objectivity in relation to the District the Finance and Audit Committee shall seek proposals from potential auditors no great than every 5 years," he explained that 6 years made it a less restrictive requirement.

Chair Wichert stated the staff recommendation and requested for the item to be placed on Consent for the August regular Board meeting.

The motion passed by unanimous vote.

AYES:	McPherson and Wichert.	ABSTAINED:	
NOES:		RECUSED:	
ABSENT:			

3. 2019 Audit Engagement Letter and Contract

Mr. Bills presented the staff report.

Chair Wichert inquired if Richardson and Company's rates have increased.

Mr. Bills estimated the increase to be between 3% and 4%.

Mr. Bills explained the Committee's options with selecting Auditors for the 2019 audit.

Chair Wichert noted that Richardson and Company would be saving money, as they would not need to respond to an RFP for the District. He further requested justification for their cost increase, noting that if there was no justification, he suggested asking them to revise their quote.

Director McPherson agreed with Chair Wichert.

Chair Wichert recommended for the item to be placed on the Action Items at the August regular Board meeting, including the answers to the questions.

Mr. Eubanks was unhappy that Chair Wichert was willing to bring agenda item 2 to the full Board, when Chair Wichert thought it was weakening the position of the District. He believed that if Chair Wichert thought there should be an RFP after the fifth year, then he should be recommending a new audit firm.

Chair Wichert agreed to hold an additional Finance and Audit Committee meeting prior to the August regular Board meeting to have the questions answered on the item 3.

Adjournment

Chair Wichert adjourned the meeting at 3:02 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District